



AMERICAN RECOVERY AND REINVESTMENT (FEDERAL STIMULUS) ACT OF 2009

NATURAL RESOURCES AND TRANSPORTATION (SECTION C)

February 27, 2009

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
DNRC-DEQ/Clean Water Revolving Fund (CWSRF)	For capitalization program to fund wastewater treatment facilities, water conservation and reuse, energy projects at public owned treatment facilities, water quality BMP programs	50% for assistance in form of additional subsidization, forgiveness of principal, negative interest loans and grants of which 80% meet affordability criteria established by the Governor. And 20 percent to address water efficiency and use goals.	Formula – priority to ready to go projects – those not committed could be reallocated	\$19.538 M	Loan forgiveness portion and administrative costs.	The CWSRF, for the purposes of grants and loans, is statutorily appropriated.
DEQ/State Energy Grants	State Energy Program (SEP) provides grants to the states to design and carry out their own renewable energy and energy efficiency programs.	Governor must implement policies regarding regulatory authority, ratemaking and building code standards. Currently have building code standards in place.	Formula	\$27.7 million	Yes	This funding will come through DEQ in a block grant that would be sent out to cities and municipalities as well as a formula grant for other State Energy Program activities. This would include energy retrofits associated with the Governor's 20x10 initiative. There are some conditions to the funding, which the PSC determined the state has met.

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
DEQ/Drinking Water Revolving Fund (DWSRF)	For capitalization program to fund wastewater treatment facilities, with set asides	50% for assistance in form of additional subsidization, forgiveness of principal, negative interest loans and grants of which 80% meet affordability criteria established by the Governor.	Formula w/ priority to ready to go projects. – those not committed could be reallocated	\$19.5 M	1.93 M for set aside portion 5	The DWSRF, for the purposes of grants and loans, is statutorily appropriated. States can use up to 10% of its capitalization grant (with a 1:1 dollar state match) to support its state drinking water program, or to develop and implement capacity development, source water protection, and operator certification programs. The legislature may wish to direct a portion of the set aside to address the issue raised in the public water supply primacy report. The general fund budgeted to DEQ can be used as match to provide additional resources to meet the issue raised in the report.
DEQ/Clean Diesel	Provides funds to address diesel emissions in non-attainment areas	None noted	Formula and Competitive Grant	\$1.7 million direct	Yes	This funding is targeted to replacing diesel school buses with cleaner running buses. DEQ will work with OPI.
DEQ/Superfund	Additional funding to the federal superfund to take care of priority sites.	None noted	Discretion of EPA Regional Office	Total to EPA \$600 million, Region 8 will receive \$66 million	Yes	The EPA will lead this activity and determine which SUPERFUND sites will be funded. The current bill is silent on state match. Traditionally there is a ten percent state match for these projects. The state uses bonding to meet those needs and has sufficient bonding authority to meet the match requirement.
DEQ/Leaking Underground Storage Tanks	Additional funding to the federal LUST Program	Funds are not subject to cost share	EPA Formula	\$1.0 million estimated	Yes	Montana has the largest backlog of underground spills that need cleanup within the region, which is part of the weight in the formula. . The legislature may wish to weigh in on how much should go to enforcement, administration and cleanup.
DEQ/ Water Quality Planning	Support for local water quality planning efforts.	40 percent must go to local planning entities	Direct	\$194,000	Yes	Funding would flow through the total maximum daily load (TMDL) program.

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DNRC/Wildland Fire Management	Funding to states for hazardous fuels reduction and hazard mitigation activities in areas at high risk of catastrophic wildfire	None noted. Available through 9/30/2010	Through state and private forestry grants	\$250 Million, MT - Unknown	Yes	The legislature may wish to determine if these funds should be tied into proposals from the Fire Suppression Interim Committee, such as pilot fuel reduction projects and increased use of biomass.
DOT/Transportation infrastructure	For maintenance and construction of highways (only preventative maintenance activities that can be proven to be a cost effective way to extend the life of an asset apply as maintenance).	Funding may be up to 100 percent federal (implies no state match is required). Apportioned 21 days following enactment 50 percent of any funds not obligated 180 days following date of apportionment are withdrawn and are redistributed to states that obligate all their funds. Then, any funds not obligated one year after apportionment are withdrawn and redistributed in competitive grants (see below)	Formula grant based upon the current allocation of SAFETEA-LU	Total federal: \$27.5 billion to remain available through Sept. 30, 2010 Montana: \$211.8 million	Yes	The agency states that these funds will be used to address infrastructure needs that the anticipated funding within the existing federal-aid program is not sufficient to cover. Therefore, the stimulus funding would work off a list of backlogged projects that are ready to bid but have fallen in priority based on an asset model and are now below the available funding line. There is a question if the contracting community can respond to the significant influx of projects in the short-term and if they build construction equipment assets to respond how this would impact them in the long-term after the bubble has worked through the system. The concern is centered on the fact that all states will simultaneously see the immediate increase in construction activity so shifting of resources from other areas to Montana is not a viable option. The department says the contractors assure them they can deliver. Likely impact of huge increase in demand for contractors is that bid prices would be higher than typical levels so the funding would buy less project activity.

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DOT/Transportation infrastructure – surface transportation competitive grants	For maintenance and construction of highways. (only preventative maintenance activities that can be proven to be a cost effective way to extend the life of an asset apply as maintenance)	Funding may be up to 100 percent federal (implies no state match is required). To remain available through September 30, 2011.	Competitive grants to states, local governments, or transit agencies Priority to projects that will have a significant impact on the Nation, a metropolitan area, or a region	Total federal starts at \$1.5 billion and increases as funds are withdrawn from formula grants when not obligated State unknown (requires application and approval for grant funding)	No, would likely fall under the budget amendment statute (the Treasury Secretary must publish criteria on which to base the competition not later than 75 days after enactment)	

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DOT/Transit funding	Grants to local transit entities	<p>Funding may be up to 100 percent federal (implies no state match is required).</p> <p>50 percent of any funds not obligated 120 days following date of apportionment are withdrawn and are redistributed to states that obligate all their funds.</p> <p>Then, any funds not obligated one year after apportionment are withdrawn and redistributed in competitive grants.</p>	<p>1) 80 percent to urbanized area formula grants, 10 percent to formula grants to other than urbanized areas</p> <p>2) 19 percent of total allocated with half allocated based on state population trend and half allocated to states with population densities greater than 370 persons per square mile</p>	<p>Total federal: \$6.9 billion to remain available through September 30, 2010</p> <p>Montana: \$15.6 million</p>	Yes	